

“By making this investment, we could be playing a role in the creation and evolution of entire future industries.”

I am privileged to lead a state long admired for its inventive spirit in industries from airliners to computer software and biotechnology. That same spirit of innovation drives my plan to nurture and grow Washington’s economy and to create a new generation of family-wage jobs.

I am proposing several economic development measures to improve Washington’s economy – steps that address different stages in the life of a firm or industry. My approach is based on my belief that the public sector serves a vital role in promoting research into the next generation of opportunities, removing barriers to economic activity, and investing in infrastructure to lay a strong foundation for future economic activity.

My Budget for Improving Washington’s Economy

1 Grows Washington’s economy through innovation. My plan invests bonus money from Washington’s tobacco settlement in the emerging biotechnology industry.

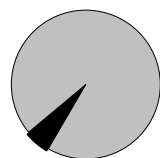
This investment will create future jobs and put Washington squarely at the forefront of a worldwide revolution in the age-old quest to tame debilitating human diseases and to feed a hungry planet.

2 Invests in infrastructure and workforce development. One of the most powerful steps I can take to put muscle into our economy is to fund public works projects that provide thousands of high-paying construction jobs.

3 Removes barriers to economic activity. Economic growth is driven largely by the private sector. That’s why I am investing in tax incentives to make sure we continue to grow the aerospace industry in Washington.

My plan also will help remove economic barriers for minority- and women-owned businesses, and obstacles faced by researchers who are trying to turn their ideas into commercial products.

The Economic Development budget, including debt service of more than \$1 billion for capital projects, is about 6% of the State General Fund.



The Governor's Budget for Economic Development

Grow Washington's economy through innovation	<p>Nurtures a new economic revolution. The Governor proposes a \$1 billion Life Sciences Discovery Fund to move Washington into leading-edge medical research, and improve the quality and yield of farm crops. The research and development will quicken the growth of the state's emerging biotechnology industry to create as many as 20,000 new jobs in the next 10 to 15 years.</p>
Invest in infrastructure and workforce development	<p>Invests in infrastructure, creating jobs. The Governor's package of capital construction projects will support an average of 19,700 jobs directly and indirectly related to the construction over the next two years in cities and towns from Vancouver to Bellingham and Tacoma to Spokane. <i>\$2.8 billion</i></p> <p>Invests in Washington's future workforce. Not every worker needs a college degree to get a foothold in Washington's economy. Some, especially immigrants, need access to Adult Basic Education and English as a Second Language (ABE/ESL) courses at community and technical colleges. Others need relatively quick retraining if they lose a job in a changing economy. The Governor's plan supports integrating basic education and literacy courses with occupational skills training to improve workforce development. <i>\$4 million</i></p>
Remove barriers to economic activity	<p>Provides aerospace supplier tax incentives. The Governor has taken an important step toward securing a supplier base for aerospace in Washington. Her budget includes:</p> <ul style="list-style-type: none">▪ \$4.8 million in tax incentives designed to attract a variety of potential aerospace suppliers to Washington.▪ \$500,000 in tax credits for manufacturers of airplanes. <p>Securing the next generation of Boeing aircraft assembly by landing the Boeing 7E7 project at Everett was a major commercial victory for Washington and a testament to the state's strong business climate and commitment to economic progress. Now, the state is focused on the next step: a home in Washington for the supply chain for that aircraft.</p> <p>Helps good research become commercial products. The Governor proposes to revise the state ethics law to provide clear, common-sense guidelines for researchers who want to see good research become commercial products. This small change can reward the state with increased market opportunity, more jobs and royalty revenue for our state universities. Washington's research institutions lead the world in basic research, but research becomes economic opportunity only when the ideas become marketable products. This process – often called “technology transfer” – requires a wide variety of efforts, from venture capital for product development to technical assistance with business planning.</p> <p>Finances capital options for minority- and women-owned businesses. Access to capital has been the single biggest hurdle to small businesses as they develop and grow. The Governor's proposal expands the Linked Deposit program, which provides loans to certified minority- and women-owned businesses at interest rates 2 percent below market rates. Her proposal:</p> <ul style="list-style-type: none">▪ Doubles the amount of funds available for loans to small businesses to \$100 million. This would make loans available to an additional 220 small businesses, eliminating the current backlog in the program.▪ Transfers monitoring of the program from the Department of Community, Trade and Economic Development to the Office of Minority and Women's Business Enterprises, and eliminates the sunset date of the program.